



BOND OVERVIEW ADVISORY COMMITTEE (BOAC) MEETING

Presentation by Financial Services staff providing a financial update outlining the impacts of the three year roll-out plan on the debt tax model.

September 12, 2013

TIME: 9:30 A.M.

PLACE: City Hall

**300 N. Campbell, 1st floor – City Council Chambers
El Paso, Texas 79901**



Methodology of Issuing Debt

- Managed through a City-Council approved Debt Management Policy
 - Last approved by City Council on November 27, 2012
 - Maximum Debt Rate of 30 cents per \$100 valuation
- City does not typically issue debt unless it needs the funds for the specific project
 - Cash management tool (Section 5.1.2)
 - City reimburses itself after incurring expenses related to a project through the issuance of certificates of obligation and other debt obligations
 - Avoids paying interest when borrowing rates are higher than investment opportunities or when the project is not moving forward



City of El Paso						
Breakdown of Issuances						
By Funding Source						
As of August 27, 2013						
	December 2008	March 2010	November 2010	April 2011	September 2012	June 2012
Amount Authorized	\$ 73,128,137	\$ 19,767,219	\$ 71,051,142	\$ 66,713,569	\$ 29,238,924	\$ 218,400,000
Plus Additional Authorizations	2,950,000		19,841,219			
Less Non-Debt authorization				(1,500,000)		
March 2003 Issuance						
May 2007						
January 2009						
October 2009	27,328,006					
November 2010	7,001,950					
November 2011	10,834,876	4,350,000				
November 2012	17,000,000		2,000,000	20,100,000	2,431,520	
Proposed September 2013	13,913,305	-	17,888,507	7,000,000	19,000,000	7,280,000
Remaining Authorization to be Issued	\$ -	\$ 15,417,219	\$ 71,003,854	\$ 38,113,569	\$ 7,807,404	\$ 211,120,000



Remaining CO and GO Authorizations after 2013 Issuance

Dates of Authorizations	Project Cost
December 2008	-
March 2010	\$15,417,219
November 2010*	71,003,854
April 2011**	38,113,569
June 2012	211,120,000
September 2012	7,807,404
Total CO Authorizations	\$346,462,046
November 2012 QOL Bonds	\$473,250,000

*Includes \$14,384 million of Sun Metro self-supporting debt

**Does not include the \$1.5 million in Technology Funds allocated to this project as this \$1.5 million will not need financing.



Roll-Out of QOL Plan (in \$000s)

Purpose	Total Amount	Year One	Year Two	Year Three	Remaining Years
Parks & Rec	\$195,000	\$20,675	\$23,625	\$20,925	\$129,775
MCAD & Multi-Purpose Arena	\$216,250	\$4,525	\$5,925	\$3,200	\$202,600
Zoo	\$50,000	\$1,346	\$5,307	\$7,275	\$36,072
Library	\$12,000	\$833	\$1,168	\$1,592	\$8,407
November 2012 QOL Bonds	\$473,250	\$27,379	\$36,025	\$32,992	\$376,854



Incorporate Roll-Out Plan into Overall City Debt Plan

Proposed Scenario as of August 14,
2013

<i>Debt Scenario - All Existing Authorized Debt Plus Short Term CIP</i>	<i>Fund</i>	<i>Amount Previously Issued</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020+</i>	<i>Total</i>
December 2008 Authorization	4510	62,164,832	10,963,305								73,128,137
Approved Transportation Funding - March 2010	4710	4,350,000	-	2,802,237	3,500,000	5,000,000	4,114,982				19,767,219
Approved Transportation Funding in November 2, 2010	4530	2,000,000	12,431,537	4,035,589	21,219,532	17,237,478	4,204,170		9,922,936		71,051,242
Short-Term CIP Approved on April 19, 2011	4560	20,100,000	7,000,000	19,060,000	9,440,000	5,000,000	4,613,569				65,213,569
2012-2019 Street Infrastructure Plan (June 2012)	4740		7,280,000	25,792,000	29,224,000	27,404,000	24,544,000	24,024,000	24,544,000	55,588,000	218,400,000
City Hall Related Purchases (September 2012)	4730	2,431,520	19,000,000	7,807,404							29,238,924
2012 QOL Projects (Authorized November 2012)	4800			14,239,500	34,166,450	34,957,425	46,268,488	31,238,013	31,238,013	281,142,112	473,250,000
Subtotal - Tax Supported Debt		91,046,352	56,674,842	73,736,730	97,549,982	89,598,903	83,745,209	55,262,013	65,704,949	336,730,112	950,049,091
Sun Metro Only			8,406,970	14,384,249							22,791,219
Total Issuance Needed		91,046,352	65,081,812	88,120,979	97,549,982	89,598,903	83,745,209	55,262,013	65,704,949	336,730,112	972,840,310

November 2012 QOL Plan (in green)



City of El Paso, Texas

Tax Rate Impact of Current Debt and Proposed Long-Term Debt Issuance

As of August 27, 2013

Projected Impact on the Tax Rate Based on Planned Issuance

	As of August 27, 2013
FYE	Authorized but not Issued ¹
2013	0.2163
2014	0.2326
2015	0.2406
2016	0.2621
2017	0.2720
2018	0.2817
2019	0.2882
2020	0.2974
2021	0.3053
2022	0.3086
2023	0.3106
2024	0.3031
2025	0.2953
2026	0.2842
2027	0.2799
2028	0.2789
2029	0.2735
2030	0.2699
2031	0.2648
2032	0.2513
2033	0.2131

Assumptions:

(1) Assumes annual taxable value growth as follows: 1.50% for 2015-2017, 2.0% for 2018-2019, 2.50% thereafter.

(2) Net of self-supporting debt and BAB Tax Credit payments. The 2009 Pension Obligation Bonds structure assumes an initial 5 year bullet at 3.74%; thereafter, debt service shown is for 25 years at 7%.

(3) Net of Capitalized Interest.

= Projected Maximum Debt Rate

¹This column includes debt that has been authorized by Council but not yet issued through debt obligations.



Questions?